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March 8, 2016

U.S. Department of Energy Office of Fossil Energy Office of Oil and Gas Global Security and Supply Division of Natural Gas Regulatory Activities P.O. Box 44375 Washington, D.C. 20026-4375 Attention: John Anderson, Director

Re: American LNG Marketing, LLC, DOE/FE Order No. 3690

Dear Mr. Anderson,

Pursuant to DOE Order No. 3690, Ordering Paragraph F(ii), I am hereby submitting copies of certain executed long-term contracts associated with the long-term supply of natural gas to the Hialeah Facility.<sup>1</sup>

In accordance with Ordering Paragraph F(ii), this transmittal contains:

- (A) an unreducted copy of two Contracts for the Sale and Purchase of Natural Gas, both dated June 15, 2015, between Peninsula Energy Services Company, Inc. ("PESCO") and LNG Holdings (Florida) LLC (an affiliate of American LNG Marketing, LLC, "American LNG") (collectively, the "Contracts"); and
- (B) a summary of the major provisions of the Contracts (attached as Exhibit B hereto).

The unredacted Contracts, attached hereto as Exhibit A, contain highly sensitive and confidential commercial, financial, and proprietary information and are being filed with DOE under seal on a confidential basis and not for public disclosure, as authorized by Order No. 3690. American LNG submits that the Contracts meet the six criteria set forth in 10 C.F.R. 1004.11(f) of the DOE regulations for determining whether information is exempt from mandatory disclosure pursuant to the Administrative Procedure act, 5 U.S.C. 552(b)(4):

(1) The Contracts have been held in confidence by American LNG and PESCO, and the Contracts contain a confidentiality provision.

<sup>&</sup>lt;sup>1</sup> American LNG Marketing LLC, DOE/FE Order No. 3690 (Aug. 7, 2015).



- (2) The contracts contain information of a type that is customarily held in confidence by the parties, and there is a reasonable basis to keep sensitive commercial terms, including but not limited to pricing terms, confidential to avoid competitive harm.
- (3) American LNG is submitting the Contracts to DOE/FE under seal, with a request to keep the Contracts confidential.
  - (4) The Contracts are not publicly available.
- (5) Public disclosure of the Contracts by DOE/FE is likely to cause other export license holders or registrants to be reluctant to submit unredacted copies of their gas supply agreements to DOE/FE; thus, public disclosure could impair DOE/FE's ability to obtain similar information from others in the future; and
- (6) Disclosure of the unredacted Contracts is likely to cause substantial harm to the competitive positions of American LNG and PESCO.

For the foregoing reasons, American LNG respectfully requests that the non-redacted copy of the Contracts be kept confidential by DOE/FE. The Contracts contain pricing and other competitively sensitive commercial information that is exempt from disclosure under the Administrative Procedure Act, 5 U.S.C. 552(b)(4), and under the DOE regulations, 10 C.F.R. 590.202(e) and 10 C.F.R. 1004.11.

Please contact me if you have any questions.

<u>John S. Decker</u>
John S. Decker
Attorney for American LNG Marketing LLC

Respectfully submitted,

## **EXHIBIT A**

# PRIVILEGED AND CONFIDENTIAL INFORMATION HAS BEEN REMOVED

### **EXHIBIT B**

## **SUMMARY OF MAJOR PROVISIONS**

#### NATURAL GAS PURCHASE AND SALE AGREEMENT, DATED JUNE 15, 2015

#### MAJOR PROVISIONS SUMMARY

1. DOE Order/FE Docket No(s):

DOE Order No. 3690

FE Docket No. 14-209-LNG

2. LNG Liquefaction/Export Facility and Location:

The Hialeah Facility is a micro-LNG facility located on the northern portion of Hialeah Railyard in Medley, Florida.

3. Describe affiliation with LNG Liquefaction Export Facility (*e.g.*, owner, capacity holder, etc.):

Peninsula Energy Services Company, Inc. has entered into a NAESB Base Contract for the Sale and Purchase of Natural Gas with LNG Holdings (Florida) LLC, which is an affiliate of American LNG Marketing LLC.

4. Exact Legal Name of Parties/Counterparties to Contracts:

Seller: Peninsula Energy Services Company, Inc.

Buver: LNG Holdings (Florida) LLC

5. 5a. Contract Types (e.g. Purchase and Sale Agreement, Liquefaction Tolling Agreement, etc.):

Natural gas purchase and sale agreement.

#### **5b. Firm or Interruptible Contracts:**

Firm Service if Secondary In Path and Interruptible Service if Secondary (subject to availability of capacity on Florida Gas Transmission).

6. Date of the Contracts:

June 15, 2015.

7. Contract Term:

Subject to early termination rights of Buyer and Seller, the delivery period will commence on January 1, 2016 and will terminate on December 31, 2020. At Buyer's option and upon 30 days' notice to Seller, the term may begin up to 120 days prior to January 1, 2016. The term may be extended upon mutual agreement of Buyer and Seller through December 31, 2023.

8. Annual Quantity:

The contract contemplates the purchase and sale of up to 1,095,000 MMBtus per year of natural gas.

9. Take or Pay (or equivalent) Provisions/Conditions (please describe):

The contract contemplates a minimum obligation of 1,095,000 MMBtus of natural gas.

10. Legal Name of Entity (ies) that has (have) Title to the Natural Gas and LNG through the LNG Facility until Export (at the Flange of the Vessel):

LNG Holdings (Florida) LLC.

11. Export Destination Restrictions in the Contracts:

n/a. This is not an export contract.

12. Resale Provisions:

n/a. This is not an export contract.

13. Other Major Non-proprietary Provisions, if Applicable:

Section 1: The primary Delivery Point will be the new interconnect for the Miami LNG facility located downstream of Sunrise and upstream of Homestead on Florida Gas Transmission. Subject to certain specifications, other delivery points may be requested by Buyer.

Section 3.2: Subject to certain adjustments and rights of Buyer and Seller, the commodity price shall be based on either the Platts Insider FERC FGT Zone 3 index price or the Platts Florida Zone 3 Gas Daily Average.